GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2147
ANSWERED ON:30.11.2007
DISBURSAL OF FARM LOAN
Mondal Shri Abu Ayes

Will the Minister of FINANCE be pleased to state:

(a) whether the Government disburse farm loans through different banks in the country;

(b) if so, the details of the farm loans disbursed during the last two years, Public Sector Bank-wise;

(c) whether the crop loans have been waived off by the Government during the last one year; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Farm loans are being disbursed by commercial banks, cooperative banks and regional rural banks on regular basis. The details of agriculture loans disbursed during the last two years by public sector banks, bank-wise is annexed.

(c) & (d): Government of India (GoI) has not waived crop loans during the year 2006-07. However, to reduce the burden of interest on Crop Loans availed by farmers for Kharif and Rabi 2005-06, an amount equal to two percentage points of the borrower's liability on the principal amount upto Rs.1,00,000/- each was credited to their account. Thereafter, from Kharif 2006, to ensure that the farmer receives Short-Term Production Credit at 7% with an upper limit of Rs.3 lacs on the principal amount, the Government is providing interest subvention of 2% per annum to Public Sector Banks, Regional Rural Banks(RRBs) and Cooperative Banks on their lending from their own resources and refinance at concessional rates to Cooperative banks and RRBs on their borrowings from NABARD.